



RESEARCH OPPORTUNITY

**Guarantors and Capital
Markets - Practice in
Developed Markets and
Insights for Emerging
Markets**

2 May 2025

Research Opportunity - Key Details

- Opportunity: Seeking a supplier for primary research on guarantees.
- Collaboration: FCDO & SECO partnership.
- Goal: Explore how guarantee products in developed markets mobilized institutional investors and provide insights for their adoption and effective use in developing countries
- Context: Despite potential, guarantee deployment in developing countries (especially local currency/capital markets) is limited to date.
- Contribution: Research supports MOBILIST's goal to mobilize institutional capital for SDGs (climate resilience, inclusive growth) via listed products.
- Contract Value: £108,000 (exclusive of applicable taxes).
- Contract Duration: 30 Jun 2025 – 31 Dec 2025 (6 months).

About MOBILIST

- “Mobilising institutional capital through listed product structures”
- £264m flagship FCDO programme
- Seeks to move bring development finance and institutional investors together via public markets
- Supported by Norad (Norway) and SECO (Swiss)
- Currently 8 investments/commitments totalling £111m
- Mobilised £257m private capital through 5 investments that directly enabled listings (OECD methodology)



Foreign, Commonwealth
& Development Office



Norad



SECO

The MOBILIST Offer



CAPITAL

Equity investment into:

- Listed funds
- Listed equities
- Securitisation vehicles



TECHNICAL ASSISTANCE

Covering costs related to listing and also seeking to support market development/market building activities



BUILDING PARTNERSHIPS

Collaborating with issuers, intermediaries, stock exchanges and the development community to create an enabling ecosystem



RESEARCH

Generating and disseminating market-driven data, analysis and insights

S3 source network enables sourcing of eligible products across geographies, efficiently



Transaction – Bayfront IV

Catalytic equity investment in SGX infrastructure debt securitisation transaction, September 2023

BAYFRONT INFRASTRUCTURE



\$410 million
size of BIC IV

\$5 million
catalytic investment
from MOBILIST

23:1
Private capital
mobilisation ratio

- MOBILIST first development finance actor to commit equity to a true-sale securitisation vehicle
- Assets include renewable energy projects across Asia and Middle East in EMDEs
- Utilised guarantees (GuarantCo) in BIC IV and BICV

Transaction – Green Guarantee Company

Establishing the world's first climate-focused guarantee company



\$100 million
initial
capitalisation

\$1 billion
guarantees to be
provided with initial
capitalisation

\$5 billion
guarantee capacity
by 2035

- Provide guarantees for institutional investors buying listed green bonds and green loans issued in the private credit markets
- Prioritise issuers from developing countries, including Brazil
- Co-investors: Green Climate Fund, USAID, Norfund, Nigeria Sovereign Investment Authority (NSIA)

Research Objectives & Rationale

- Research Gap: Lack of reference work on the scale/nature of mobilisation historically achieved using guarantees in developed markets.
- Key Objective: Enable comparative analysis of developed market successes vs. current development finance guarantee offerings. Produce a framework for effective guarantee use in developing countries.
- Focus: Capital markets, aligning with MOBILIST's mission.
- Intended Outcomes:
 - Improve access to actionable insights for investors, policymakers.
 - Engage and influence market actors for effective use of guarantees in developing countries.
 - Contribute to increased SDG-focused investments and private capital mobilisation.

Scope of work – Overview

- Review existing evidence on guarantee products (developed & developing markets), focusing on non-payment/credit guarantees.
- Summarise existing literature.
- Identify case studies and data to improve the evidence base (selection prioritized with FCDO/SECO).
- Conduct primary research via structured interviews with practitioners (travel expected).
- Develop lessons from developed market case studies.
- Develop actionable insights and a framework for effective guarantee use in developing countries, considering challenges and risks.

Scope of work – Potential Case Study Areas

- /// Issuer graduation (accessing markets without guarantees later).
- /// Impact on secondary market liquidity for structured finance/infrastructure debt.
- /// Municipal/regional infrastructure financing and scaling challenges.
- /// Sector-specific opportunities.
- /// Flexibility working with financial institutions (bank bonds, securitisations, etc.).
- /// Evolution of eligible structures/sectors to maximise market.
- /// Comparison with other vehicles (e.g., debt funds).

Key Research Questions

- ⚡ How did guarantees scale new asset classes (asset-backed securities, municipal/infra bonds) in developed markets (esp. via monolines)? Key steps/success factors?
- ⚡ What were the limitations, pitfalls, and negative impacts in developed markets? Risks for developing countries?
- ⚡ Are current guarantee instruments achieving scale in developing countries? What are the learnings, constraints, and untapped opportunities?
- ⚡ How can scarce public money drive greater mobilisation? How to apply lessons from developed markets? Drivers for overcoming constraints?
- ⚡ What are the risks/limitations? Do guarantors have a long-term future beyond market creation?

Deliverables & Timeline

- 📌 Deliverable 1: Inception Report (Final questions, methodology, workplan, risks, dissemination plan) - End of Week 4.
- 📌 Deliverable 2: Interim Research Report (Evidence review, framework, preliminary results/conclusions) - End of Week 16.
- 📌 Deliverable 3: Final Research Report (Incorporating feedback) - End of Week 20.
- 📌 Deliverable 4: Research Presentation (Slide deck summarizing report) - End of Week 21.
- 📌 Deliverable 5: Research Dissemination & Uptake (External event, abstract, blog, policymaker primer) - End of Week 24/25.

Note: Report page limits are specified in the ToR

Budget & Payment

- Budget: £108,000 (exclusive of applicable taxes).
- Funding: Funded by SECO, managed by FCDO.
- Payment Model: Milestone-based.
 - 50% of deliverable cost paid on completion evidence.
 - Remaining 50% linked to performance KPIs (at-risk).
- Expenses: Travel and other expenses must be included within deliverable costs.

Required Team Expertise

- /// Supplier Team Structure: Flexible, proposed by bidder (e.g., single expert + support, or lead supplier subcontracting).
- /// Mandatory Roles/Expertise:
 - /// Lead Researcher: Primary contact; 5+ years experience with guarantees/credit risk mitigation or comparable relevant experience.
 - /// Team Leader: Quality assurance; specialised expertise; oversees delivery/KPIs.
 - /// Wholesale Financial Market Expertise: Individual (can be Lead Researcher/Team Leader) with 5+ years experience assessing products at macro/market level for commercial audience.
- /// Network Access: Must have access to credible counterparts, relevant data/information.

Evaluation Criteria (Overview)

/// Award based on responsiveness and value for money.

/// Categories & Weighting:

/// Technical Criteria (60%)

/// Commercial Criteria (30%)

/// Social Value Criteria (10%)

/// Minimum Viable Thresholds: Apply to specific technical criteria (T1-T7). Failure to meet any one of these means the bid won't be further evaluated.

Refer to full ToR for detailed sub-criteria and scoring.



Next Steps & Contact

We are taking questions via Slido which we will answer at the end of this session

AFTER THIS SESSION

- ⚡ Please carefully review the full Terms of Reference document
- ⚡ Submit expression of interest by email to Andrew Leslie (Andrew.Leslie@fcdo.gov.uk) including CV of the proposed Lead Researcher
- ⚡ Deadline to express interest in bidding is 9 May
- ⚡ FCDO will determine which suppliers to invite to tender by 12 May
- ⚡ If invited to bid, deadline for bid submission is 6 June

Thank you